

**Housing Authority of
Washington Parish**
Franklinton, Louisiana

**Annual Financial Report
As of and for the Year Ended September 30, 2012**

HOUSING AUTHORITY OF WASHINGTON PARISH

Franklinton, Louisiana

Basic Financial Statements

As of and for the Year Ended September 30, 2012

With Supplemental Information Schedules

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of Washington Parish
Franklinton, Louisiana

I have audited the accompanying basic financial statements of the Housing Authority of Washington Parish (the authority) as of and for the year ended September 30, 2012, as listed in the table of contents. These basic financial statements are the responsibility of the authority's management. My responsibility is to express an opinion on these basic financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the basic financial statements referred to above present fairly in all material respects, the financial position of the Housing Authority of Washington Parish as of September 30, 2012, and the respective changes in financial position and cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated January 31, 2013 on my consideration of the authority's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

HOUSING AUTHORITY OF WASHINGTON PARISH

Franklinton, Louisiana

Independent Auditor's Report, 2012

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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the housing authority's financial statements as a whole. The financial data schedule as required by HUD and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of State and Local Governments, and Non-Profit Organizations are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

William Daniel McCaskill

William Daniel McCaskill, CPA
A Professional Accounting Corporation

January 31, 2013

**Housing Authority of Washington Parish, PHA
Parish of Washington, Louisiana
As of and for the Year Ended September 30, 2012
Management's Discussion and Analysis**

Introduction

The Housing Authority of Washington Parish is pleased to present its Annual Financial Report developed in compliance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements-Management's Discussion and Analysis-For State and Local Governments* (hereinafter referred to as GASB 34), and related standards.

The Housing Authority's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Housing Authority's financial activity, (c) identify changes in the Housing Authority's financial position, (d) identify any significant variations from the Housing Authority's financial plan, and (e) identify individual fund issues or concerns.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read the following in conjunction with the Housing Authority's financial statements and footnotes, which follow this section.

Financial Highlights

- Total assets at September 30, 2012 were \$172,355, and exceeded total liabilities in the amount of \$139,297 (i.e., net assets). Of the total net assets, \$78,433 represents a restriction for payments of housing assistance in accordance with requirements of the U.S. Department of Housing and Urban Development (HUD). In addition, \$60,864 was unrestricted to meet the authority's future ongoing expenses and obligations.
- For the year ended September 30, 2012, the Housing Authority's total net assets increased by \$43,405, a 45% increase from the prior year. The Housing Authority's revenue decreased from the prior year by \$46,121, and expenses decreased by \$56,157.
- The Housing Authority's revenue, consist of contributions from HUD, based on the number of housing units authorized for lease. For the year ended September 30, 2012, the Housing Authority was authorized 1,860 unit months (155 x 12). They requested contributions for 1,443 unit months for total utilization rate (lease-up rate) of 77.58%.

Housing Authority of Washington Parish, PHA
Parish of Washington, Louisiana
As of and for the Year Ended September 30, 2012
Management's Discussion and Analysis

Overview of Annual Financial Report

Management's Discussion and Analysis (MD&A) serves as an introduction to the basic financial statements and supplementary information. The MD&A presents an overview of management's examination and analysis of the Washington Parish Housing Authority's condition and performance.

The financial statements report information on the Housing Authority using full accrual accounting methods similar to those used in private business sector. Financial statements include the Statement of Net Assets, Statement of Revenues, Expenses, Changes in Net Assets, and the Statement of Cash Flows. The Statement of Net Assets provides information about the nature and amount of the Housing Authority's resources and obligations at year-end, and provides a basis for evaluating the capital structure of the Housing Authority and assessing the liquidity and financial flexibility of the Housing Authority.

The Statement of Revenues, Expenses, and Changes in Net Assets, accounts for the operation of the Washington Parish Housing Authority's revenues and expenses for the fiscal year and the resulting change in net assets and provides information on how net assets changed during the year. This statement measures the success of the Housing Authority's operations in a format that can be used to determine if the Housing Authority has recovered its costs of operation (housing assistance payments and administrative expenses) as outlined and directed through reimbursements by HUD.

The Statement of Cash Flows reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities, and provides information on the source of cash receipts, what the cash was used for, and the total change in cash for the reporting period.

The notes to the financial statements provide required disclosures essential for providing an understanding of the financial statements. The notes, present information about the Housing Authority's accounting policies, significant account balances and activities, commitments, contingencies, and subsequent events, if any. Supplementary information includes information regarding the Authority's Financial Data Schedule (FDS) submitted electronically to HUD'S Real Estate Assessment Center (REAC).

Housing Authority of Washington Parish, PHA
Parish of Washington, Louisiana
As of and for the Year Ended September 30, 2012
Management's Discussion and Analysis

Financial Analysis

The purpose of financial analysis is to help determine whether the Housing Authority of Washington Parish is better off as a result of the current year's activities. In this analysis, data from two of the basic financial statements, the Statement of Net Assets, and the Statement of Revenues, Expenses, and Changes in Net Assets, are presented below in condensed format. These statements report the net assets, the difference between assets and liabilities, and the change in net assets, which provides information for indicating the financial condition of the Housing Authority.

Condensed Statement of Net Assets

	September 30 2012	September 30 2011	Dollar Change	Percent Change
Current and Other Assets	93,922	110,022	(16,100)	-14.63%
Restricted Assets	78,433	19,934	58,499	100.00%
Capital Assets	-	63	(63)	-100.00%
Total Assets	172,355	130,019	42,336	32.56%
Current Liabilities	33,058	34,127	(1,069)	-3.13%
Total Liabilities	33,058	34,127	(1,069)	-3.13%
Net Assets				
Invested in Capital Assets				
Net of Related Debt	-	63	(63)	-100.00%
Restricted	78,433	19,934	58,499	100.00%
Unrestricted	60,864	75,895	(15,031)	-19.80%
Total Net Assets	139,297	95,892	43,405	45.26%

The major component of change for assets is a \$58,499 increase in restricted cash and an decrease in operating cash of \$16,100. The increase in restricted assets is attributable to a decrease in housing assistance payments. The decrease in current and other assets is due to an increase in administrative costs.

Capital Assets decreased by \$63. As of September 30, 2012, there is no book value for fixed assets.

Current Liabilities decreased by \$1,069 due to a decrease in the accrual for payroll taxes.

Total Net Assets (total assets less total liabilities) increased by \$43,405 for the fiscal year ending September 30, 2012.

Housing Authority of Washington Parish, PHA
Parish of Washington, Louisiana
As of and for the Year Ended September 30, 2012
Management's Discussion and Analysis

Condensed Statement of Revenues, Expenses, and Changes in Net Assets

	September 30 2012	September 30 2011	Dollar Change	Percent Change
Revenues				
Operating Revenues	606,206	646,854	(40,648)	-6.28%
Nonoperating Revenues	6,556	12,029	(5,473)	-45.50%
Total Revenues	612,762	658,883	(46,121)	-7.00%
Expenses				
Housing Assistance	479,794	549,826	(70,032)	-12.74%
General & Administrative	89,501	73,990	15,511	20.96%
Utilities	-	1,321	(1,321)	100.00%
Depreciation	62	377	(315)	-83.55%
Total Expenses	569,357	625,514	(56,157)	-8.98%
Change in Net Assets	43,405	33,369	10,036	30.08%
Beginning Net Assets	95,892	62,523	33,369	53.37%
Total Net Assets	139,297	95,892	43,405	45.26%

While the Statement of Net Assets shows the change in financial position of net assets, the Statement of Revenues, Expenses, and Changes in Net Assets provides answers to the nature and scope of these changes. The above table gives an indication of how Housing Authority of Washington Parish is being conservatively managed.

Operating revenue decreased by \$40,648 (6.28%) in 2012. Housing assistance payments decreased by \$70,032 (12.74%). General and administrative expenses increased by \$15,511 (20.96%).

The housing authority shows a positive change in net assets at \$43,405 as compared to a positive change of \$33,369 for the prior fiscal year.

Housing Authority of Washington Parish, PHA
Parish of Washington, Louisiana
As of and for the Year Ended September 30, 2012
Management's Discussion and Analysis

Capital Assets

At the end of the fiscal year ending September 30, 2012, the Housing Authority of Washington Parish had no amounts (net of accumulated depreciation) recorded in capital assets. This includes office equipment and fixtures, for system operation. The changes in capital assets are presented in the table below.

	September 30 2012	September 30 2011	Dollar Change	Percent Change
Furniture & Equipment	21,561	21,561	-	0.00%
Less: Accumulated Depreciation	(21,561)	(21,498)	(63)	0.29%
Net Capital Assets	-	63	(63)	-100.00%

There were no purchases of capital assets for the fiscal year ending September 30, 2012.

Future Economic Plans

The Housing Authority's Board of Commissioners has reviewed the financial condition of the Housing Authority in relation to anticipated funding levels of HUD. Board members periodically review the program operation to ensure proper reporting to HUD. The Board feels that the Housing Authority is a vital part of Washington Parish Community and wants to ensure that the citizens are afforded the opportunity for better housing.

Requested for Information

The financial report is designed to provide an overview of the Housing Authority of Washington Parish, PHA's finances and demonstrate the housing authority's accountability. If you have questions regarding this report or need additional information, contact the housing authority at 1134 Bene Street, Suite 4, Franklinton, LA 70438. The phone number is (985) 839-5635.

Exhibit A

Housing Authority of Washington Parish
Franklinton, Louisiana
Statement of Net Assets
As of September 30, 2012

ASSETS**Current assets**

Cash and cash equivalents	93,922
Restricted assets - cash and cash equivalents	78,433
Total current assets	172,355

Noncurrent assets

Capital assets:

Depreciable capital assets:

Furniture and equipment	21,560
Less accumulated depreciation	(21,560)
Total depreciable capital assets, net of accumulated depreciation	-

Total capital assets, net of accumulated depreciation	-
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Total assets	172,355
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LIABILITIES**Current Liabilities**

Payable to other governments	1,421
Accrued wages payable	2,801
HUD liability	28,836

Total current liabilities	33,058
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Total noncurrent liabilities	-
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Total liabilities	33,058
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NET ASSETS

Invested in capital assets, net of related debt	-
Restricted	78,433
Unrestricted	60,864
Total net assets	\$ 139,297

The accompanying notes are an integral part of these financial statements.

Housing Authority of Washington Parish
Franklinton, Louisiana
Statement of Revenues, Expenses, and Changes In Net Assets
For the Year ended September 30, 2012

Operating Revenues	
HUD Operating Grants	\$ 606,056
Other Operating	150
	<hr/>
Total operating revenues	606,206
	<hr/>
Operating Expenses	
Housing Assistance Payments	479,794
General and administrative	89,501
Depreciation and amortization	62
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Total operating expenses	569,357
	<hr/>
Operating income (loss)	36,849
Nonoperating Revenues (Expenses):	
Interest revenue	311
Miscellaneous revenues	6,245
	<hr/>
Total nonoperating revenues (expenses)	6,556
	<hr/>
Income (loss) before other revenues, expenses, gains, losses and transfers	43,405
Capital contributions (grants)	-
Increase (decrease) in net assets	43,405
Net assets, beginning of year	95,892
	<hr/>
Net assets, end of year	\$ 139,297
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The accompanying notes are an integral part of these financial statements.

Housing Authority of Washington Parish
Statement of Cash Flows
For the Year ended September 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from federal subsidies	\$ 606,056
Receipts from tenants	150
Payments to landlords	(479,794)
Payments to suppliers	(50,569)
Payments to employees	<u>(40,000)</u>
Net cash provided by operating activities	<u>35,843</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Miscellaneous revenues	<u>6,245</u>
Net cash provided by noncapital financing activities	<u>6,245</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Net cash (used in) capital and related financing activities	<u>-</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	<u>311</u>
Net cash provided by investing activities	<u>311</u>
Net increase (decrease) in cash and cash equivalents	<u>42,399</u>
Cash and cash equivalents - beginning of year	<u>129,956</u>
Cash and Cash equivalents - unrestricted	93,922
Cash and Cash equivalents - restricted	78,433
Total Cash and Cash Equivalents - end of year	<u>\$ 172,355</u>

Reconciliation of operating income (loss) to net cash provided by operating activities:

Operating (loss)	\$ 36,849
Adjustments to reconcile operating (loss) to net cash provided by operating activities:	
Depreciation and amortization	62
Changes in assets and liabilities:	
Accounts payable	(2,708)
Accrued wages payable	<u>1,640</u>
Net cash provided by operating activities	<u>\$ 35,843</u>

The accompanying notes are an integral part of the financial statements

HOUSING AUTHORITY OF WASHINGTON PARISH

Franklinton, Louisiana

Notes to the Basic Financial Statements

September 30, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying basic financial statements of the authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

(1) Reporting Entity

The Housing Authority of Washington Parish (the authority) was formed under the laws of the State of Louisiana for the purpose of providing safe and sanitary dwelling accommodations for the residents of Washington Parish, Louisiana. This formation was contingent upon the approval of the parish. The authority operates as an unincorporated Special Purpose Governmental Entity.

The authority is governed by a Board of Commissioners (Board), which is composed of five members appointed by the parish and serve five-year staggered terms. The Board of the authority exercises all powers granted to the authority.

GASB Statement No. 14 established criteria for determining the governmental reporting entity. Under provisions of this statement, the authority is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB 14, fiscally independent means that the authority may, without the approval or consent of another governmental entity, determine or modify its own budget, control collection and disbursements of funds, maintain responsibility for funding deficits and operating deficiencies, and issue bonded debt. The authority has no component units, defined by GASB 14 as other legally separate organizations for which the elected authority members are financially accountable.

HOUSING AUTHORITY OF WASHINGTON PARISH

Franklinton, Louisiana

Notes to the Financial Statements, 2012 – Continued

The authority is a related organization of Washington Parish, Louisiana since the parish government appoints a voting majority of the authority's governing board. The parish is not financially accountable for the authority as it cannot impose its will on the authority and there is no potential for the authority to provide financial benefit to, or impose financial burdens on, the parish. Accordingly, the authority is not a component unit of the financial reporting entity of the parish.

(2) Funds

The accounts of the authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

All funds of the authority are classified as proprietary. The general fund accounts for transactions of all of the authority's programs.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the authority's enterprise fund are Section 8 Housing Assistance Subsidies and Section 8 Management Fees. Operating expenses include Section 8 Housing Assistance Payments and Administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The accompanying basic financial statements of the authority have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB statement No. 34, Basic Financial Statements and Managements discussion and Analysis—for State and Local Governments, which was unanimously approved in June 1999 by the GASB

(3) Measurement focus and basis of accounting

Proprietary finds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method,

HOUSING AUTHORITY OF WASHINGTON PARISH

Franklinton, Louisiana

Notes to the Financial Statements, 2012 – Continued

revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this management focus all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The authority has elected, pursuant to GASB Statement No. 20, to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

(4) Assets, liabilities, and net assets

(a) Deposits

The authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. HUD regulations, state law and the authority's investment policy allow the housing authority to invest in collateralized certificates of deposit and securities backed by the federal government.

(b) Inventory and prepaid items

All inventories are valued at cost on a first-in first-out (FIFO) basis. Inventories consist of expendable building materials and supplies held for consumption in the course of the authority's operations.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

(c) Restricted Assets

Cash equal to the amount of Housing Assistance Payment reserves for the Housing Choice Voucher program is reflected as restricted.

(d) Capital assets

Capital assets of the authority are included in the statement of net assets and are recorded at actual cost. Depreciation of all exhaustible fixed assets is charged as an expense against operations.

Property, plant, and equipment of the Authority is depreciated using the straight line method over the following estimated useful lives:

Furniture and equipment	3-7 years
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HOUSING AUTHORITY OF WASHINGTON PARISH

Franklinton, Louisiana

Notes to the Financial Statements, 2012 – Continued

(e) Due from/to other governments or agencies

Amounts due from/to the authority to/by other governments or agencies are generally for grants or programs under which the services have been provided by the authority.

(f) Allowance for doubtful accounts

The authority provides an allowance for doubtful accounts, as needed, for accounts deemed not collectible. At September 30, 2012, the management of the authority did not establish an allowance for doubtful accounts.

(h) Restricted net assets

Net assets are reported as restricted when constraints placed on net asset use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Restricted resources are used first when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

(i) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the government-wide financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B – DEPOSITS

Deposits are stated at cost, which approximates fair value. Under state law and/or federal regulation, these deposits, or the resulting bank balances, must be in Federal Securities, secured by federal deposit insurance or the pledge of federal securities. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

HOUSING AUTHORITY OF WASHINGTON PARISH

Franklinton, Louisiana

Notes to the Financial Statements, 2012 – Continued

As of September 30, 2012, the authority's carrying amount of deposits was \$172,355, which includes the following:

Cash and cash equivalents-unrestricted	\$93,922
Cash and cash equivalents- restricted	78,433
Total	\$172,355

Interest Rate Risk—The authority's policy does not address interest rate risk.

Credit Rate Risk—Since all of the authority's deposits are federally insured and/or backed by federal securities, the authority does not have credit rate risk.

Custodial Credit Risk—This is the risk that in the event of a bank failure, the authority's deposits may not be returned to it. The authority does not have a policy for custodial credit risk. \$187,595 of the authority's total deposits were covered by federal depository insurance, and do not have custodial credit risk. The bank balances at September 30, 2012 totaled \$187,595.

HOUSING AUTHORITY OF WASHINGTON PARISH

Franklinton, Louisiana

Notes to the Financial Statements, 2012 – Continued

NOTE C - CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2012 was as follows:

	<u>9 30 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>9 30 2012</u>
Depreciable Assets:				
Furniture and equipment	<u>21,561</u>	<u>-</u>	<u>-</u>	<u>21,561</u>
Total	<u>21,561</u>	<u>-</u>	<u>-</u>	<u>21,561</u>
Less accumulated depreciation				
Building and improvements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Furniture and equipment	<u>21,498</u>	<u>63</u>	<u>-</u>	<u>21,561</u>
Total accumulated depreciation	<u>21,498</u>	<u>63</u>	<u>-</u>	<u>21,561</u>
Net Capital Assets	<u>63</u>	<u>(63)</u>	<u>-</u>	<u>-</u>

NOTE D – POST EMPLOYMENT RETIREMENT BENEFITS

The authority does not provide any post employment retirement benefits. Therefore the authority does not include any entries for unfunded actuarial accrued liability, net OPEB expense, or annual contribution required.

NOTE E – RISK MANAGEMENT

The authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The authority is currently implementing a risk management program. As of September 30, 2012, the only insurance coverage that the authority has obtained is workers' compensation insurance. Please see Finding F-12-1 related to this issue.

HOUSING AUTHORITY OF WASHINGTON PARISH

Franklinton, Louisiana

Notes to the Financial Statements, 2012 – Continued

NOTE F – FEDERAL COMPLIANCE CONTINGENCIES

The authority is subject to possible examinations by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the entity in the current and prior years. These examinations may result in required refund by the entity to federal grantors and/or program beneficiaries. The authority is subject to HUD's consideration of reducing grants in order to have the authority utilize authority Equity to fund expenses.

NOTE G – SUBSEQUENT EVENTS

Events that occur after the balance sheet date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the balance sheet date, require disclosure in the accompanying notes. Management evaluated the activity of the authority through January 31, 2013 and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

NOTE H – ECONOMIC DEPENDENCE

Statement of Financial Accounting Standard (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Department of Housing and Urban Development provided \$606,056 to the authority, which represents approximately 99% of the authority's total revenue for the year.

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of Washington Parish
Franklinton, Louisiana

I have audited the financial statements of the Housing Authority of Washington Parish (the authority), as of and for the year ended September 30, 2012 and have issued my report thereon dated January 31, 2013. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the authority is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing my audit, I considered the authority's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the authority's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the authority's internal control over financial reporting.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questions costs, I identified certain deficiencies in internal control over financial reporting that I consider to be material weaknesses.

HOUSING AUTHORITY OF WASHINGTON PARISH

Franklinton, Louisiana

Report on Internal Control... *Government Auditing Standards*, 2012

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A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the authority's financial statements will not be prevented, or detected and corrected on a timely basis. I consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. See Finding F-12-1, F-12-6 and F-12-7.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the authority's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items F-12-1, F-12-6 and F-12-7.

The authority's responses to the findings identified in my audit are described in the accompanying schedule of findings and questioned costs. I did not audit the authority's response and, accordingly, I express no opinion on the responses.

This report is intended solely for the information and use of the board of commissioners and management, others within the organization, the Louisiana Legislative Auditor and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

William Daniel McCaskill

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January 31, 2013

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of Washington Parish
Franklinton, Louisiana

Compliance

I have audited the compliance of the Housing Authority of Washington Parish (the authority) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each its major federal programs for the year ended September 30, 2012. The authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the authority's management. My responsibility is to express an opinion on the authority's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the authority's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the authority's compliance with those requirements.

HOUSING AUTHORITY OF WASHINGTON PARISH

Franklinton, Louisiana

Report on Compliance...A-133, 2012

Page Two

As described in items F-12-1, F-12-2, F-12-3, F-12-4, F-12-5, F-12-6, F-12-7 and F-12-8 in the accompanying schedule of findings and questioned costs, the authority did not comply with requirements regarding Eligibility, Reporting, and Special Tests and Provisions that are applicable to its Housing Choice Voucher Program. Compliance with such requirements is necessary, in my opinion, for the authority to comply with the requirements applicable to that program.

In my opinion, except for the noncompliance described in the preceding paragraph, the authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September .

Internal Control Over Compliance

Management of the authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered the authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing my opinion on compliance in accordance with OMB circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the authority's internal control over compliance.

My consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, I identified certain deficiencies in internal control over compliance that I consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. I consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items F-12-1, F-12-2, F-12-3, F-12-4, F-12-5, F-12-6, F-12-7 and F-12-8 to be material weaknesses.

HOUSING AUTHORITY OF WASHINGTON PARISH

Franklinton, Louisiana

Report on Compliance...A-133, 2012

Page Three

The authority's responses to the findings identified in my audit are described in the accompanying schedule of findings and questioned costs. I did not audit the authority's response and, accordingly, I express no opinion on the responses.

This report is intended solely for the information and use of the board of commissioners and management, others within the organization, the Louisiana Legislative Auditor and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

William Daniel McCaskill

William Daniel McCaskill, CPA
A Professional Accounting Corporation

January 31, 2013

HOUSING AUTHORITY OF WASHINGTON PARISH

Franklinton, Louisiana

Schedule of Findings and Questioned Costs
Fiscal Year Ended September 30, 2012**Section I—Summary of Auditor's Results***Financial Statements*

Type of auditor's report issued unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☒ yes ☐ no
- Significant deficiency(ies) identified? ☐ yes ☒ none reported

Noncompliance material to financial statements noted?

☒ yes ☐ no*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? ☒ yes ☐ no
- Significant deficiency(ies) identified? ☐ yes ☒ none reported

Type of auditor's report issued on compliance for major programs: Qualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?

☒ yes ☐ no

Identification of major programs:

14.871 Housing Choice Voucher Program

HOUSING AUTHORITY OF WASHINGTON PARISH

Franklinton, Louisiana

Schedule of Findings and Questioned Costs (Continued)

Fiscal Year Ended September 30, 2012

The threshold used for distinguishing between Type A and B programs was \$300,000.

Auditee qualified as a low-risk auditee? _____yes X no

SECTION II - FINDINGS - FINANCIAL STATEMENTS AUDIT**FINDING F-12-1**

See SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

The finding is considered both a GAS finding and an A-133 finding

FINDING F-12-6

See SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

The finding is considered both a GAS finding and an A-133 finding

FINDING F-12-7

See SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

The finding is considered both a GAS finding and an A-133 finding

HOUSING AUTHORITY OF WASHINGTON PARISH

Franklinton, Louisiana

Schedule of Findings and Questioned Costs (Continued)

Fiscal Year Ended September 30, 2012

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COST

FINDING NUMBER F-12-1

FEDERAL PROGRAM IDENTIFICATION:

Awarding Agency and Year – HUD CY 2012

CFDA Title # 14.871

Program Name – Housing Choice Vouchers

CRITERIA:

The agency's internal controls should be designed in a manner to provide an adequate comfort level of authority activities including risk management.

CONDITION:

WPHA Internal Control Design Deficiencies include:

Inadequate provision for consideration of insurance or any other kind of risk management. WPHA does not have insurance for liability, personnel bonding, or for any other purpose except for workers' compensation.

This is a repeat finding and the prior year Corrective Action Plan was not accomplished.

CAUSE:

It appears that the WPHA Board of Commissioners and WPHA Management did not properly consider a number of basic internal control issues.

EFFECT:

WPHA is exposed to all kinds of liability due to the lack of risk management and WPHA has placed WPHA assets at unnecessary risk.

QUESTIONED COSTS – NONE

PERSPECTIVE

This situation is entity wide.

AUDITOR RECOMMENDATIONS:

I recommend that WPHA continue consulting with the Louisiana Housing Council and properly consider risk management including purchasing necessary insurance. I recommend the Louisiana Housing Council because this non-profit entity arranges insurance for Louisiana PHA's and secures rates beneficial to PHA's.

PHA RESPONSE – SEE CORRECTIVE ACTION PLAN

HOUSING AUTHORITY OF WASHINGTON PARISH

Franklinton, Louisiana

Schedule of Findings and Questioned Costs (Continued)

Fiscal Year Ended September 30, 2012

FINDING NUMBER F-12-2

FEDERAL PROGRAM IDENTIFICATION:

Awarding Agency and Year – HUD CY 2012

CFDA Title # 14.871

Program Name – Housing Choice Vouchers

CRITERIA:

WPHA must timely perform and document numerous actions in the tenant files relative to tenant eligibility, tenant rent, and other issues identified in the Compliance Supplement.

CONDITION:

In our test of twelve Tenant Files we noted the following:

One file had no 3rd party income verification. The PHA used the HUD provided Earned Income Verification (EIV) report to arrive the income used for the rent calculation. No effort was made to obtain income verification from the tenant's employer as required.

One file whereas the PHA used a donation letter from a relative of \$250 month to arrive the income used for the rent calculation. The HUD EIV report reported income of approximately \$3,500 per quarter for the tenant. The file contained no indication that this discrepancy was ever considered or resolved.

One file did not have a timely recertification, which is required annually. This recertification was over 12 months late.

One file did not include a print out of the HUD provided Earned Income Verification (EIV) which is to be used to verify that the tenant is reporting their correct income to the PHA.

One file did not include a rent comparable which is required for initial move-ins.

This is a repeat finding and the prior year Corrective Action Plan was not accomplished.

CAUSE:

The cause of these deficiencies is unclear.

EFFECT:

WPHA is not in compliance with HUD tenant requirements.

QUESTIONED COSTS – NONE

PERSPECTIVE:

WPHA administers 142 units in the Housing Choice Voucher Program.

HOUSING AUTHORITY OF WASHINGTON PARISH

Franklinton, Louisiana

Schedule of Findings and Questioned Costs (Continued)

Fiscal Year Ended September 30, 2012

AUDITOR RECOMMENDATIONS:

I recommend that WPHA utilize a checklist of work tasks required to be documented with each initial tenant housing, each annual and/or interim re examination, and the checklist be initialed and dated by the staff member performing each work task. I recommend that each tenant file organization be maintained in the same order as listed on the checklist.

PHA RESPONSE – SEE CORRECTIVE ACTION PLAN

HOUSING AUTHORITY OF WASHINGTON PARISH

Franklinton, Louisiana

Schedule of Findings and Questioned Costs (Continued)

Fiscal Year Ended September 30, 2012

FINDING NUMBER F-12-3

FEDERAL PROGRAM IDENTIFICATION:

Awarding Agency and Year – HUD CY 2012

CFDA Title # 14.871

Program Name – Housing Choice Vouchers

CRITERIA:

HUD Regulations require that a utility allowance study be updated periodically.

CONDITION:

The last utility allowance study was completed in 2005.

This is a repeat finding and the prior year Corrective Action Plan was not accomplished.

CAUSE:

Unknown

EFFECT:

The HUD rent subsidy calculations have not been correct because utility allowances have not been updated. HUD regulations were not complied with.

QUESTIONED COSTS – \$476,368

AUDITOR RECOMMENDATIONS:

I recommend WPHA comply with HUD regulations in the future regarding utility allowance studies.

PHA RESPONSE – SEE CORRECTIVE ACTION PLAN

HOUSING AUTHORITY OF WASHINGTON PARISH

Franklinton, Louisiana

Schedule of Findings and Questioned Costs (Continued)

Fiscal Year Ended September 30, 2012

FINDING NUMBER F-12-4

FEDERAL PROGRAM IDENTIFICATION:

Awarding Agency and Year – HUD CY 2012

CFDA Title # 14.871

Program Name – Housing Choice Vouchers

CRITERIA:

HUD Regulations require that WPHA conduct annual Rent Reasonableness studies for each area under WPHA's jurisdiction. The purpose is to document a range of rents for non-HUD subsidized rental units to ensure that the HCV Program is paying reasonable rents.

CONDITION:

WPHA has not properly documented rent reasonableness for any area in its jurisdiction.

This is a repeat finding and the prior year Corrective Action Plan was not accomplished.

CAUSE:

Unknown

EFFECT:

WPHA cannot document that any HAP rents are reasonable. Lack of doing so is a violation of HUD Regulations.

QUESTIONED COSTS – \$476,368

PERSPECTIVE:

The total amount of HAP charged for FYE 9-30-2012 is \$476,368.

AUDITOR RECOMMENDATIONS:

I recommend that WPHA staff be trained on the methodology and documenting of rent reasonableness and strictly follow the regulations in the future.

PHA RESPONSE – SEE CORRECTIVE ACTION PLAN

HOUSING AUTHORITY OF WASHINGTON PARISH

Franklinton, Louisiana

Schedule of Findings and Questioned Costs (Continued)

Fiscal Year Ended September 30, 2012

FINDING NUMBER F-12-5

FEDERAL PROGRAM IDENTIFICATION:

Awarding Agency and Year – HUD CY 2012

CFDA Title # 14.871

Program Name – Housing Choice Vouchers

CRITERIA:

HUD Regulations require that WPHA execute a HUD Form Depository Agreement with each depository institution holding WPHA funds.

CONDITION:

WPHA does not have a Depository Agreement with 1 bank. The balance of WPHA funds on deposit with this bank @ FYE equals \$187,595.

This is a repeat finding and the prior year Corrective Action Plan was not accomplished.

CAUSE:

It is unclear why WPHA did not have this document executed in the past. It may be that this particular bank is unwilling to execute the Depository Agreement.

EFFECT:

WPHA appears to be in violation of HUD regulations.

QUESTIONED COSTS – NONE

PERSPECTIVE:

At FYE, WPHA reports a total of \$187,595 on deposit.

AUDITOR RECOMMENDATIONS: I recommend that WPHA execute depository agreements with all banks holding WPHA funds. If the bank refuses to sign the agreement I recommend that the PHA change to a bank that will sign the agreement.

PHA RESPONSE – SEE CORRECTIVE ACTION PLAN

HOUSING AUTHORITY OF WASHINGTON PARISH

Franklinton, Louisiana

Schedule of Findings and Questioned Costs (Continued)

Fiscal Year Ended September 30, 2012

FINDING NUMBER F-12-6

FEDERAL PROGRAM IDENTIFICATION:

Awarding Agency and Year – HUD CY 2019

CFDA Title # 14.871

Program Name – Housing Choice Vouchers

CRITERIA: WPHA should possess basic internal controls to ensure that it is operating in an appropriate and legal manner and holding itself out in a proper legal manner.

CONDITION: WPHA's internal controls are not sufficient to prevent the following circumstances:

WPHA has been holding itself out as a duly incorporated local government. WPHA cannot locate documents to prove that it was ever duly incorporated. The current audited FS's identify WPHA as an unincorporated Special Purpose Governmental Entity.

WPHA does not have a cooperation agreement executed with Washington Parish Government (WPG) to address issues such as Payment in Lieu of Taxes, office space and utilities provided by WPG, appointment authority of WPG for the WPHA board of commissioners. It appears that WPG has been appointing WPHA board members in a manner intended to follow normal housing authority procedures including 5 board members appointed to 5 year staggered terms.

WPHA has not executed written Policies and Procedures.

WPHA maintains a bank account identified as FSS Escrow but it appears that WPHA has never operated an FSS program.

WPHA has been submitting payroll reports to the federal government and the state government using forms identifying itself with a TIN number as used by a corporation. The same is true for FDS reporting to HUD. However, it appears WPHA was never duly incorporated.

This is a repeat finding and the prior year Corrective Action Plan was not accomplished.

CAUSE: The cause is unknown.

EFFECT: It appears that WPHA has been holding itself out in a manner that is not true and that basic responsibilities have not been completed by WPHA.

QUESTIONED COSTS – NONE

AUDITOR RECOMMENDATIONS:

I recommend that WPHA continue its efforts to resolve all of the above issues.

PHA RESPONSE – SEE CORRECTIVE ACTION PLAN

HOUSING AUTHORITY OF WASHINGTON PARISH

Franklinton, Louisiana

Schedule of Findings and Questioned Costs (Continued)

Fiscal Year Ended September 30, 2012

FINDING F-12-7

FEDERAL PROGRAM IDENTIFICATION:

Awarding Agency and Year – HUD CY 2012

CFDA Title # 14.871

Program Name – Housing Choice Vouchers

CRITERIA:

The board should annually approve the Operating Budget and all subsequent revisions of it. The board should monitor on a monthly basis budget to actual comparisons.

CONDITION:

The board minutes do not reflect that the board reviewed or approved any budgets for 2012.

This is a repeat finding and the prior year Corrective Action Plan was not accomplished.

CAUSE:

The cause is unknown.

EFFECT:

It does not appear that the board is adequately performing its duties.

PHA RESPONSE – SEE CORRECTIVE ACTION PLAN

HOUSING AUTHORITY OF WASHINGTON PARISH

Franklinton, Louisiana

Schedule of Findings and Questioned Costs (Continued)

Fiscal Year Ended September 30, 2012

FINDING F-12-8

FEDERAL PROGRAM IDENTIFICATION:

Awarding Agency and Year – HUD CY 2012

CFDA Title # 14.871

Program Name – Housing Choice Vouchers

CRITERIA:

Annually the PHA must complete a Section Eight Management Assessment Program (SEMAP) submission. SEMAP is used by HUD to measure PHA performance and administration of the housing choice voucher program.

CONDITION:

Our testing of the current year SEMAP report revealed incorrect responses by WPHA for SEMAP indicator questions, as follows:

WPHA certified that it conducted Supervisory Sample Reviews for four of the SEMAP performance indicator questions as required by the questionnaire. In fact, no Supervisory Sample Reviews were conducted during the current year.

CAUSE:

Unclear

EFFECT:

WPHA violated Federal Regulations by incorrectly completing the SEMAP report.

QUESTIONED COSTS – NONE

AUDITOR RECOMMENDATIONS:

I recommend that WPHA correctly complete all future certifications.

PHA RESPONSE – SEE CORRECTIVE ACTION PLAN

HOUSING AUTHORITY OF WASHINGTON PARISH

Franklinton, Louisiana
Schedule of Prior Year Audit Findings
Fiscal Year Ended September 30, 2012

FINDING F-2011-1

Late audit per state law
This is not repeated

FINDING F-2011-2

Internal controls over risk management
This is repeated as F-12-1

FINDING F-2011-3

Tenant file deficiencies
This is repeated as F-12-2

FINDING F-2011-4

Waiting list deficiencies
This is not repeated.

FINDING F-2011-5

Utility Allowances not updated
This is repeated as F-12-3

FINDING F-2011-6

Rent Reasonableness compliance
This is repeated as F-12-4

FINDING F-2011-7

HAP register deficiencies
This is not repeated.

FINDING F-2011-8

No Depository agreement
This is repeated as F-12-5.

FINDING F-2011-9

Internal Controls - Organizational
This is repeated as F-12-6.

FINDING F-2011-10

Lack of segregation of duties.
This is not repeated.

FINDING F-2011-11

Internal controls - Board
This is not repeated.

HOUSING AUTHORITY OF WASHINGTON PARISH

Franklinton, Louisiana

Schedule of Prior Year Audit Findings (continued)

Fiscal Year Ended September 30, 2012

FINDING F-2011-12

Administrative plan not updated.

This is not repeated.

FINDING F-2011-13

VMS report deficiencies

This is not repeated.

FINDING F-2011-14

Board not approving or monitoring budget

This is repeated as F-12-7.

FINDING F-2011-15

Contract with related party

This is not repeated.

FINDING F-2011-16

Travel allowance approval and reporting

This is not repeated.

HOUSING AUTHORITY OF WASHINGTON PARISH

Franklinton, Louisiana

Corrective Action Plan for Current Year Findings
For Fiscal Year Ended September 30, 2012

CORRECTIVE ACTION PLAN:

F-12-1

Person Responsible – Felicia Spikes-Jefferson

Anticipated Completion Date – June 30, 2013

Action Planned – During February 2013 we obtained general liability insurance coverage for the authority. We have been working with the Louisiana Housing Council and we are currently considering proposals from several insurance companies for additional coverages.

CORRECTIVE ACTION PLAN:

F-12-2

Person Responsible – Felicia Spikes-Jefferson

Anticipated Completion Date – September 30, 2013

Action Planned – We have obtained, and are currently using a tenant file checklist. By 9/30/2013 we will reexamine each tenant file and ensure that all required work tasks are correctly documented in the tenant files.

CORRECTIVE ACTION PLAN:

F-12-3

Person Responsible – Felicia Spikes-Jefferson

Anticipated Completion Date – May 30, 2013

Action Planned – During February 2013, we had a specialist complete a current utility allowance study. The schedules are in the process of being updated and the updated schedules will be used beginning May 2013. In the future we will ensure that these studies are conducted on a timely basis per HUD Regulation.

HOUSING AUTHORITY OF WASHINGTON PARISH

Franklinton, Louisiana

Corrective Action Plan for Current Year Findings (Continued)

For Fiscal Year Ended September 30, 2012

CORRECTIVE ACTION PLAN:

F-12-4

Person Responsible – Felicia Spikes-Jefferson

Anticipated Completion Date – September 30, 2013

Action Planned – – We are in the process of training staff on the methodology and documentation of rent reasonableness per HUD regulations and will be in full compliance as soon as the annual reviews are completed in September 30, 2013.

CORRECTIVE ACTION PLAN:

F-12-5

Person Responsible – Felicia Spikes-Jefferson

Anticipated Completion Date – September 30, 2013

Action Planned – We will either execute the required HUD depository agreement with the bank in question or move the funds to another bank who will execute the required document.

CORRECTIVE ACTION PLAN:

F-12-6

Person Responsible – Felicia Spikes-Jefferson

Anticipated Completion Date – September 30, 2013

Action Planned – We have been and we will continue to work on all of the issues noted in this finding.

HOUSING AUTHORITY OF WASHINGTON PARISH

Franklinton, Louisiana

Corrective Action Plan for Current Year Findings (Continued)

For Fiscal Year Ended September 30, 2012

CORRECTIVE ACTION PLAN:

F-12-7

Person Responsible – Board of Commissioners

Anticipated Completion Date – 6 30 2013

Action Planned – At each meeting we will review the budget versus actual comparisons. We did review and approve the 2013 budget and we will review and approve all future annual budgets and any subsequent revisions.

CORRECTIVE ACTION PLAN:

F-12-8

Person Responsible – Felicia Spikes-Jefferson

Anticipated Completion Date – 9 30 2013

Action Planned – We have arranged for an outside source to conduct the required supervisory sample reviews for the SEMAP certification.

HOUSING AUTHORITY OF WASHINGTON PARISH

Franklinton, Louisiana

Schedule of Compensation Paid to Board Members
Fiscal Year Ended September 30, 2012

Board members serve without compensation

SCHEDULE 5

Housing Authority of Washington Parish
Franklinton, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2012

<i>Federal Grantor/Pass-through Grantor/ Program or Cluster Title</i>	<i>CFDA #</i>	<i>Federal Expenditures</i>
U.S. Department of Housing and Urban Development:		
Direct Programs:		
Housing Choice Voucher Program	14.871	606,056
Total Federal Expenditures		<u>\$ 606,056</u>

See accompanying notes to schedule of expenditures of federal awards.

HOUSING AUTHORITY OF WASHINGTON PARISH

Franklinton, Louisiana

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended September 30, 2012

NOTE A – General

The accompanying Schedule of Expenditures of Federal Awards presents all of the Federal awards programs of the Authority. The authority reporting entity is defined in Note 1 to the basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies are included in this schedule.

NOTE B – Basis of accounting

The accompanying Schedule of Expenditures of Federal Awards Programs is presented using the accrual basis of accounting, which is described in Note 1 to the authority's basic financial statements.

NOTE C – Relationship to Basic Financial Statements

Federal awards revenues are reported in the authority's basic financial statements as follows:

Housing Choice Vouchers	\$606,056
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NOTE D – Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with GAAP.

NOTE E- FEDERAL AWARDS

For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures. In accordance with HUD Notice PIH 9814, "federal awards" do not include the authority's operating income from rents or investments (or other Non-federal sources). In addition, the entire amount of operating subsidy received and/or accrued during the fiscal year is considered to be expended during the fiscal year.

Schedule 6- Financial Data Schedule

Washington Parish Housing Authority (LA217) Franklinton, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 09/30/2012

	14.871 Housing Choice Vouchers	Subtotal	Total
111 Cash - Unrestricted	\$93,922	\$93,922	\$93,922
112 Cash - Restricted - Modernization and Development			
113 Cash - Other Restricted	\$78,433	\$78,433	\$78,433
114 Cash - Tenant Security Deposits			
115 Cash - Restricted for Payment of Current Liabilities			
100 Total Cash	\$172,355	\$172,355	\$172,355
121 Accounts Receivable - PHA Projects			
122 Accounts Receivable - HUD Other Projects			
124 Accounts Receivable - Other Government			
125 Accounts Receivable - Miscellaneous			
126 Accounts Receivable - Tenants			
126.1 Allowance for Doubtful Accounts - Tenants			
126.2 Allowance for Doubtful Accounts - Other			
127 Notes, Loans, & Mortgages Receivable - Current			
128 Fraud Recovery			
128.1 Allowance for Doubtful Accounts - Fraud			
129 Accrued Interest Receivable			
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$0	\$0
131 Investments - Unrestricted			
132 Investments - Restricted			
135 Investments - Restricted for Payment of Current Liability			
142 Prepaid Expenses and Other Assets			
143 Inventories			
143.1 Allowance for Obsolete Inventories			
144 Inter Program Due From			
145 Assets Held for Sale			
150 Total Current Assets	\$172,355	\$172,355	\$172,355
161 Land			
162 Buildings			
163 Furniture, Equipment & Machinery - Dwellings			
164 Furniture, Equipment & Machinery - Administration	\$21,560	\$21,560	\$21,560
165 Leasehold Improvements			
166 Accumulated Depreciation	-\$21,560	-\$21,560	-\$21,560
167 Construction in Progress			
168 Infrastructure			
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current			
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due			
173 Grants Receivable - Non Current			
174 Other Assets			
176 Investments in Joint Ventures			
180 Total Non-Current Assets	\$0	\$0	\$0
190 Total Assets	\$172,355	\$172,355	\$172,355

Schedule 6- Financial Data Schedule

311 Bank Overdraft			
312 Accounts Payable <= 90 Days			
313 Accounts Payable >90 Days Past Due			
321 Accrued Wage/Payroll Taxes Payable	\$2,801	\$2,801	\$2,801
322 Accrued Compensated Absences - Current Portion			
324 Accrued Contingency Liability			
325 Accrued Interest Payable			
331 Accounts Payable - HUD PHA Programs	\$28,836	\$28,836	\$28,836
332 Account Payable - PHA Projects			
333 Accounts Payable - Other Government	\$1,421	\$1,421	\$1,421
341 Tenant Security Deposits			
342 Deferred Revenues			
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds			
344 Current Portion of Long-term Debt - Operating Borrowings			
345 Other Current Liabilities			
346 Accrued Liabilities - Other			
347 Inter Program - Due To			
348 Loan Liability - Current			
310 Total Current Liabilities	\$33,058	\$33,058	\$33,058
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue			
352 Long-term Debt, Net of Current - Operating Borrowings			
353 Non-current Liabilities - Other			
354 Accrued Compensated Absences - Non Current			
355 Loan Liability - Non Current			
356 FASB 5 Liabilities			
357 Accrued Pension and OPEB Liabilities			
350 Total Non-Current Liabilities	\$0	\$0	\$0
300 Total Liabilities	\$33,058	\$33,058	\$33,058
508.1 Invested In Capital Assets, Net of Related Debt			
511.1 Restricted Net Assets	\$78,433	\$78,433	\$78,433
512.1 Unrestricted Net Assets	\$60,864	\$60,864	\$60,864
513 Total Equity/Net Assets	\$139,297	\$139,297	\$139,297
600 Total Liabilities and Equity/Net Assets	\$172,355	\$172,355	\$172,355

Schedule 6- Financial Data Schedule

Washington Parish Housing Authority (LA217)

Franklinton, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 09/30/2012

	14,871 Housing Choice Vouchers	Subtotal	Total
70300 Net Tenant Rental Revenue			
70400 Tenant Revenue - Other			
70500 Total Tenant Revenue	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$606,056	\$606,056	\$606,056
70610 Capital Grants			
70710 Management Fee			
70720 Asset Management Fee			
70730 Book Keeping Fee			
70740 Front Line Service Fee			
70750 Other Fees			
70700 Total Fee Revenue			
70800 Other Government Grants			
71100 Investment Income - Unrestricted	\$311	\$311	\$311
71200 Mortgage Interest Income			
71300 Proceeds from Disposition of Assets Held for Sale			
71310 Cost of Sale of Assets			
71400 Fraud Recovery	\$150	\$150	\$150
71500 Other Revenue	\$6,245	\$6,245	\$6,245
71600 Gain or Loss on Sale of Capital Assets			
72000 Investment Income - Restricted			
70000 Total Revenue	\$612,762	\$612,762	\$612,762
91100 Administrative Salaries	\$40,000	\$40,000	\$40,000
91200 Auditing Fees	\$19,280	\$19,280	\$19,280
91300 Management Fee			
91310 Book-keeping Fee			
91400 Advertising and Marketing			
91500 Employee Benefit contributions - Administrative	\$2,558	\$2,558	\$2,558
91600 Office Expenses	\$19,988	\$19,988	\$19,988
91700 Legal Expense			
91800 Travel	\$6,053	\$6,053	\$6,053
91810 Allocated Overhead			
91900 Other			
91000 Total Operating - Administrative	\$87,879	\$87,879	\$87,879
92000 Asset Management Fee			
92100 Tenant Services - Salaries			
92200 Relocation Costs			
92300 Employee Benefit Contributions - Tenant Services			
92400 Tenant Services - Other			
92500 Total Tenant Services	\$0	\$0	\$0
93100 Water			
93200 Electricity			
93300 Gas			
93400 Fuel			
93500 Labor			
93600 Sewer			
93700 Employee Benefit Contributions - Utilities			
93800 Other Utilities Expense			
93000 Total Utilities	\$0	\$0	\$0

Schedule 6- Financial Data Schedule

94100 Ordinary Maintenance and Operations - Labor			
94200 Ordinary Maintenance and Operations - Materials and Other			
94300 Ordinary Maintenance and Operations Contracts			
94500 Employee Benefit Contributions - Ordinary Maintenance			
94000 Total Maintenance	\$0	\$0	\$0
95100 Protective Services - Labor			
95200 Protective Services - Other Contract Costs			
95300 Protective Services - Other			
95500 Employee Benefit Contributions - Protective Services			
95000 Total Protective Services	\$0	\$0	\$0
96110 Property Insurance			
96120 Liability Insurance			
96130 Workmen's Compensation			
96140 All Other Insurance	\$1,622	\$1,622	\$1,622
96100 Total Insurance Premiums	\$1,622	\$1,622	\$1,622
96200 Other General Expenses			
96210 Compensated Absences			
96300 Payments in Lieu of Taxes			
96400 Bad debt - Tenant Rents			
96500 Bad debt - Mortgages			
96600 Bad debt - Other			
96800 Severance Expense			
96000 Total Other General Expenses	\$0	\$0	\$0
96710 Interest of Mortgage (or Bonds) Payable			
96720 Interest on Notes Payable (Short and Long Term)			
96730 Amortization of Bond Issue Costs			
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$89,501	\$89,501	\$89,501
97000 Excess of Operating Revenue over Operating Expenses	\$523,261	\$523,261	\$523,261
97100 Extraordinary Maintenance			
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments	\$476,368	\$476,368	\$476,368
97350 HAP Portability-In	\$3,426	\$3,426	\$3,426
97400 Depreciation Expense	\$62	\$62	\$62
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$569,357	\$569,357	\$569,357

Schedule 6- Financial Data Schedule

10010 Operating Transfer In			
10020 Operating transfer Out			
10030 Operating Transfers from/to Primary Government			
10040 Operating Transfers from/to Component Unit			
10050 Proceeds from Notes, Loans and Bonds			
10060 Proceeds from Property Sales			
10070 Extraordinary Items, Net Gain/Loss			
10080 Special Items (Net Gain/Loss)			
10091 Inter Project Excess Cash Transfer In			
10092 Inter Project Excess Cash Transfer Out			
10093 Transfers between Program and Project - In			
10094 Transfers between Project and Program - Out			
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$43,405	\$43,405	\$43,405
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$95,892	\$95,892	\$95,892
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors			
11050 Changes in Compensated Absence Balance			
11060 Changes in Contingent Liability Balance			
11070 Changes in Unrecognized Pension Transition Liability			
11080 Changes in Special Term/Severance Benefits Liability			
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents			
11100 Changes in Allowance for Doubtful Accounts - Other			
11170 Administrative Fee Equity	\$60,864	\$60,864	\$60,864
11180 Housing Assistance Payments Equity	\$78,433	\$78,433	\$78,433
11190 Unit Months Available	1860	1860	1860
11210 Number of Unit Months Leased	1443	1443	1443
11270 Excess Cash			
11610 Land Purchases			
11620 Building Purchases			
11630 Furniture & Equipment - Dwelling Purchases			
11640 Furniture & Equipment - Administrative Purchases			
11650 Leasehold Improvements Purchases			
11660 Infrastructure Purchases			
13510 CFFP Debt Service Payments			
13901 Replacement Housing Factor Funds			